4160

LOUISIANA PUBLIC FACILITIES AUTHORITY

REPORT ON AUDIT OF THE COMPONENT UNIT FINANCIAL STATEMENTS

DECEMBER 31, 2006

BATON ROUGE, LOUISIANA

CONTENTS

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April 13, 2007

Independent Auditor's Report

To the Board of Trustees
Louisiana Public Facilities Authority
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the Louisiana Public Facilities Authority (A Public Trust), a component unit of the State of Louisiana, as of and for the year ended December 31, 2006, as listed in the foregoing table of contents. These financial statements are the responsibility of management of the Louisiana Public Facilities Authority. Our responsibility is to express an opinion on these financial statements based on our audit.

In addition, Hannis T. Bourgeois, LLP, acting separately, audited the financial statements of the component units discretely presented in the Louisiana Public Facilities Authority's financial statements. The component units audited by us separately, account for 100% of the assets of the component units column on the Balance Sheet.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Louisiana Public Facilities Authority, as of December 31, 2006, and changes in financial position and cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 13, 2007, on our consideration of the Louisiana Public Facilities Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information schedule and the "Annual Financial Report" as required by the Louisiana Division of Administration listed in the table of contents is presented for purpose of additional analysis and is not a required part of the basic financial statements of the Louisiana Public Facilities Authority. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements, and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Hannis T. Bourgeois, LLP

FINANCIAL STATEMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

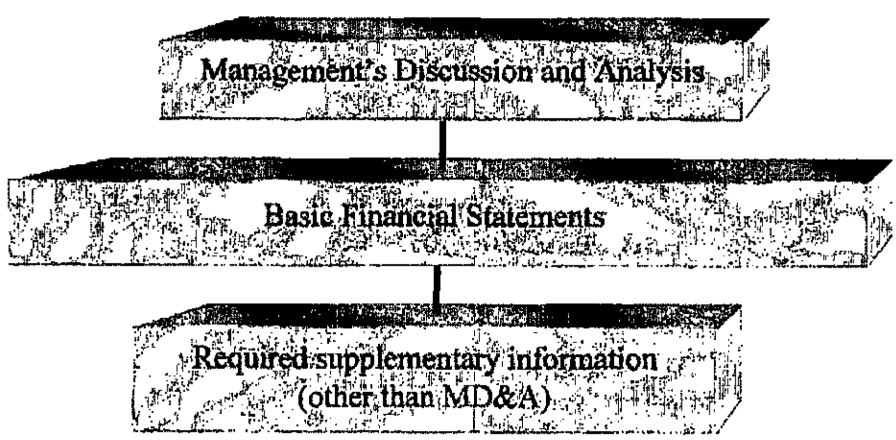
The following Management's Discussion and Analysis (MD&A) of the Louisiana Public Facilities Authority's activities and financial performance provides the reader with an introduction and overview to the financial statements of the Louisiana Public Facilities Authority (Authority) for the fiscal year ended December 31, 2006. The information contained in this MD&A should be considered in conjunction with the information contained in the financial statements that follow this section.

Following this MD&A are the basic financial statements of the Authority together with the notes thereto which are essential to a full understanding of the data contained in the financial statements. In addition to the basic financial statements and accompanying notes, these financial statements also present certain required supplementary information about the Authority.

FINANCIAL HIGHLIGHTS

- The Authority's total assets increased by $400,249 or approximately 1.85%. Likewise, total net assets increased by $414,802 or approximately 1.93%.
- Total cash and investments at December 31, 2006 represent approximately 73% of the Authority's total assets.
- Operating revenues remained constant when compared to the prior year.
- Operating expenses increased over the prior year primarily because of increases in salaries and grant expenses as well as general cost increases.
- Non-operating revenues increased from the prior year due to higher interest rates on the Authority's investments.

OVERVIEW OF THE FINANCIAL STATEMENTS



The preceding graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

These financial statements consist of three sections: Management's Discussion and Analysis; the basic financial statements; and the required supplementary information. The basic financial statements also include notes that explain in more detail some of the information in the financial statements.

Basic Financial Statements

The Authority's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and (except land) are depreciated over their useful lives. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Balance Sheet includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the Statement of Revenues and Expenses and Changes in Net Assets. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority was profitable and its credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period. The cash flow statement is prepared using the direct method, and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

The following is a condensed Balance Sheet at December 31, 2005 and 2006:

	2005	2006
Current and Other Noncurrent Assets	$ 21,502,044	$ 21,903,882
Net Capital Assets	87,635	86,046
Total Assets	$ 21,589,679	$ 21,989,928
Current Liabilities	$ 139,350	$ 124,797
Total Liabilities	$ 139,350	$ 124,797
Net Assets		
Invested in Capital Assets, Net of Debt	$ 87,635	$ 86,046
Unrestricted	21,362,694	21,779,085
Total Net Assets	$ 21,450,329	$ 21,865,131

FINANCIAL ANALYSIS OF THE AUTHORITY

One of the most important questions asked about the Authority's finances is "Is the Authority as a whole better off or worse off as a result of the year's activities?" The Balance Sheet, and the Statement of Revenues and Expenses and Changes in Net Assets report information about the Authority's activities in a way that will help answer this question. These two statements report the net assets of the Authority and changes in them. You can think of the Authority's net assets - the difference between assets and liabilities - as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions and new or changed government legislation, both state and federal.

The following is a condensed statement of Revenues, Expenses, and Changes in Net Assets for the fiscal years ended December 31, 2005 and 2006:

	2005	2006
Operating revenues	$ 2,144,450	$ 2,131,290
Operating expenses	(2,279,057)	(2,418,781)
Operating income (loss)	(134,607)	(287,491)
Non-operating revenues (expenses)	265,037	702,293
Net increase in net assets	$ 130,430	$ 414,802

As detailed in the above summary, the Authority's net assets increased by $414,802 in fiscal year 2006. This continues the Authority's history of having net income every year since 1994, the first full year after the formation by the Board of Trustees of the Development Committee.

One of the highest priorities of the Board of Trustees and management of the Authority is the preservation of the Authority's assets. Another priority is utilizing these assets for the betterment of the citizens of Louisiana while at the same time preserving the assets for future use by the Authority. With this in mind, the Authority has developed programs where it makes direct loans, primarily to small local governments, at a zero percent interest rate to help buy down the cost of financing for the borrower. Under this philosophy, the Authority restricts the amount of grants it makes and instead focuses on loans where the capital is returned to the Authority in a reasonable amount of time.

There was a slight decrease in operating revenues from fiscal year 2005. The decrease in operating revenues resulted primarily from a $96,078 decrease in Financing Acceptance Fees. The decrease in Financing Acceptance Fees was due to a decrease in bond issuance volume from approximately $752 million in fiscal year 2005 to approximately $557 million in fiscal year 2006.

The increase in Operating Expenses was due in large part to a $51,921 increase in salaries, a $25,500 increase in grant expenses, and a $19,791 increase in Repairs and Maintenance of IT equipment during fiscal year 2006.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

As of December 31, 2006, the Authority had $525,099 invested in capital assets consisting mainly of office furniture and equipment. This amount represents a net increase of $46,389 over last year.

Debt:

The Authority had no outstanding debt as of December 31, 2006.

VARIATIONS BETWEEN ACTUAL AND FINAL BUDGET

The Joint Legislative Committee on the Budget approves the annual operating budget of the Authority.

The following is a summary of the budget adopted by the Authority's Board of Trustees and approved by the Joint Legislative Committee on the Budget for the fiscal year ending on December 31, 2006, compared to the actual operating results for said fiscal year.

		Budget		Actual		Difference
Operating revenues	$	2,205,500	$	2,131,290	$	(74,210)
Operating expenses		(2,890,975)		(2,418,781)		472,194
Operating Income or (Loss)		(685,475)		(287,491)		397,984
Non-operating revenues		400,000		702,293		302,293
Net Increase (Decrease) in net assets	$	(285,475)	$	414,802	$	700,277

The 2006 budget also authorizes the purchase of $65,800 in capital assets for the Authority. The cost of these capital assets will be capitalized and written off over the estimated useful life of the assets through depreciation expenses.

Operating Revenues were less than the budgeted amount due to a decrease in the amount of bonds issued and the resulting financing acceptance fees collected in connection therewith. Program Administrative Fees in connection with our student loan program were also less than anticipated due to a large number of loans being consolidated away from our portfolio.

Operating Expenses were less than expected because of staff vacancies at the Authority and general cost saving measures used by the Authority.

Non-operating revenues were more than budgeted primarily because of higher interest rates on the Authority's investments and unrealized gains on the market value of these investments. The Authority does not budget for gains or losses on the value of investments due to the uncertain nature of market conditions that determine such gains or losses.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority submits a budget at the beginning of each year for approval by the Authority's Board of Trustees and the Joint Legislative Committee on the Budget. The following is a summary of the budget adopted by the Authority's Board of Trustees and approved by the Joint Legislative Committee on the Budget for the fiscal year ending on December 31, 2007.

Operating revenues	$	2,245,500
Operating expenses		(2,986,355)
Operating Loss		(740,855)
Non-operating revenues		450,000
Net increase or (decrease) in net assets	$	(290,855)

The 2007 budget also authorizes the purchase of $65,850 in capital assets for the Authority. The cost of these capital assets will be capitalized and written off over the estimated useful life of the assets through depreciation expenses.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens of Louisiana with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Authority at 2237 South Acadian Thruway, Suite 650, Baton Rouge, Louisiana 70808, or visit the Authority's web site at www.lpfa.com.

LOUISIANA PUBLIC FACILITIES AUTHORITY

BALANCE SHEET

AS OF DECEMBER 31, 2006

ASSETS

	Primary Government	Component Units	Total Reporting Entity
Current Assets:			
Cash and Cash Equivalents	$ 3,924,404	$ 28,944	$ 3,953,348
Interest Bearing Deposits	1,054,427	-	1,054,427
Investment Securities	198,188	-	198,188
Receivables:			
Advance Costs-Projects	23,556	-	23,556
Program Administrative Fees	277,573	-	277,573
Financing Application Fees	19,000	-	19,000
Project Financing Fees	39,991	-	39,991
Annual Issuer Fees	85,423	-	85,423
Accrued Interest and Dividend Receivable	89,807	-	89,807
Local Government Bond Bank	910,330	-	910,330
Rural Development Loan Program	1,016,000	-	1,016,000
Mortgage Loans Receivable	-	126,743	126,743
	7,638,699	155,687	7,794,386
Prepaid Expenses	30,348	-	30,348
Total Current Assets	7,669,047	155,687	7,824,734
Noncurrent Assets:			
Capital Assets:			
Office Furniture and Equipment	515,222	-	515,222
Leasehold Improvements	9,877	-	9,877
	525,099	-	525,099
Less: Accumulated Depreciation	(439,053)	-	(439,053)
Net Capital Assets	86,046	-	86,046
Other Assets:			
Interest Bearing Deposits - Long-Term	3,614,142	-	3,614,142
Investment Securities - Long-Term	7,132,454	-	7,132,454
Receivables - Long-Term:			
Reimbursable Bond Issuance Costs, Less Allowance for Doubtful Accounts of $17,000	161,695	-	161,695
Local Government Bond Bank	1,388,560	-	1,388,560
Loans to Nonprofit Organizations	1,937,984	-	1,937,984
Mortgage Loans Receivable - Long Term	-	9,346,194	9,346,194
Total Other Assets	14,234,835	9,346,194	23,581,029
Total Noncurrent Assets	14,320,881	9,346,194	23,667,075
Total Assets	$ 21,989,928	$ 9,501,881	$ 31,491,809

The accompanying notes are an integral part of this statement.

Exhibit A

LIABILITIES AND NET ASSETS

	Primary Government	Component Units	Total Reporting Entity
Current Liabilities:			
Accounts Payable	$ 124,797	$ -	$ 124,797
Mortgage Loans Payable	-	126,743	126,743
Total Current Liabilities	124,797	126,743	251,540
Long-Term Liabilities:			
Mortgage Loans Payable	-	9,346,194	9,346,194
Total Long-Term Liabilities	-	9,346,194	9,346,194
Total Liabilities	124,797	9,472,937	9,597,734
Net Assets:			
Invested in Capital Assets, Net of Related Debt	86,046	-	86,046
Unrestricted	21,779,085	28,944	21,808,029
Total Net Assets	21,865,131	28,944	21,894,075
Total Liabilities and Net Assets	$ 21,989,928	$ 9,501,881	$ 31,491,809

Exhibit B

LOUISIANA PUBLIC FACILITIES AUTHORITY

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2006

	Primary Government	Component Units	Total Reporting Entity
Operating Revenues:			
Program Investment Earnings	$ 15,656	$ -	$ 15,656
Project and Program Administrative Fees:			
Finance Acceptance Fees	276,625	-	276,625
Multi-Family Annual Issuer Fees	156,596	-	156,596
Program Administrative Fees	1,652,328	-	1,652,328
Financing Application Fees	22,000	-	22,000
Other Income	8,085	-	8,085
Interest - Mortgage Loans	-	642,541	642,541
Total Operating Revenues	2,131,290	642,541	2,773,831
Operating Expenses:			
Administrative Services	72,645	-	72,645
Business Promotion and Economic Development	159,244	-	159,244
Depreciation	47,978	-	47,978
Employees' Salaries and Benefits	1,011,200	-	1,011,200
Grant Expense	535,500	-	535,500
Insurance	41,673	-	41,673
Interest - Mortgage Loans	-	642,541	642,541
Legal and Accounting Services	49,722	990	50,712
Office Expense	126,523	-	126,523
Other	76,994	71	77,065
Printing, Publications, Dues and Subscriptions	67,396	-	67,396
Rent	150,524	-	150,524
Travel	61,382	-	61,382
Trustee Per Diems	18,000	-	18,000
Total Operating Expenses	2,418,781	643,602	3,062,383
Operating Loss	(287,491)	(1,061)	(288,552)
Non-Operating Revenues (Expenses):			
Interest Income, Net	663,019	-	663,019
Realized and Unrealized Gains and (Losses) on Investments	39,274	-	39,274
Total Non-Operating Revenues (Expenses)	702,293	-	702,293
Change in Net Assets	414,802	(1,061)	413,741
Total Net Assets - Beginning of Year	21,450,329	30,005	21,480,334
Total Net Assets - End of Year	$ 21,865,131	$ 28,944	$ 21,894,075

The accompanying notes are an integral part of this statement.

Exhibit C

LOUISIANA PUBLIC FACILITIES AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2006

	Primary Government	Component Units	Total Reporting Entity
Cash Flows From Operating Activities:			
Cash Received from Customers	$ 1,998,231	$ 642,541	$ 2,640,772
Cash Payments to Suppliers for Goods and Services	(685,140)	(643,531)	(1,328,671)
Cash Payments to Employees for Services	(1,011,200)	-	(1,011,200)
Other Operating Revenues (Expenses)	(699,024)	(71)	(699,095)
Net Cash Used in Operating Activities	(397,133)	(1,061)	(398,194)
Cash Flows From Non-Capital Financing Activities:			
Principal Collections on Mortgage Loans	-	1,782,234	1,782,234
Principal Repayment on Mortgage Loans	-	(1,782,234)	(1,782,234)
Net Cash Provided by Non-Capital Financing Activities	-	-	-
Cash Flows From Capital and Related Financing Activities:			
Purchase of Property and Equipment	(46,389)	-	(46,389)
Net Cash Used in Capital and Related Financing Activities	(46,389)	-	(46,389)
Cash Flows From Investing Activities:			
Purchase of Interest Bearing Deposits and Investment Securities	(1,858,442)	-	(1,858,442)
Proceeds from Sale and Maturities of Interest Bearing Deposits and Investment Securities	1,233,514	-	1,233,514
Interest on Investments, Interest Bearing Deposits and Cash Equivalents	663,019	-	663,019
Net Cash Provided by Investing Activities	38,091	-	38,091
Net Decrease in Cash and Cash Equivalents	(405,431)	(1,061)	(406,492)
Cash and Cash Equivalents - Beginning of Year	4,329,835	30,005	4,359,840
Cash and Cash Equivalents - End of Year	$ 3,924,404	$ 28,944	$ 3,953,348

(CONTINUED)

Exhibit C
(Continued)

LOUISIANA PUBLIC FACILITIES AUTHORITY

STATEMENT OF CASH FLOWS - CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2006

	Primary Government	Component Units	Total Reporting Entity
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities:			
Operating Loss	$ (287,491)	$ (1,061)	$ (288,552)
Adjustments to Reconcile Loss from Operations to Net Cash Used in Operating Activities:			
Depreciation	47,978	-	47,978
Changes in Assets and Liabilities:			
(Increase) Decrease in Receivables	(128,058)	-	(128,058)
(Increase) Decrease in Prepaid Expenses	(15,009)	-	(15,009)
Increase (Decrease) in Accounts Payable	(14,553)	-	(14,553)
Net Cash Used in Operating Activities	$ (397,133)	$ (1,061)	$ (398,194)
Schedule of Noncash Financial and Investing Activities:			
Amortization of Discounts on Receivables Based on Imputed Interest Rate of 5.31%; Netted with Interest Income	$ 287,794	$ -	$ 287,794
Unrealized Gains and (Losses) on Investments	$ 39,274	$ -	$ 39,274

The accompanying notes are an integral part of this statement.

Exhibit D

LOUISIANA PUBLIC FACILITIES AUTHORITY

COMBINING BALANCE SHEETS

ALL DISCRETELY PRESENTED COMPONENT UNITS

AS OF DECEMBER 31, 2006

ASSETS

	Louisiana Capital Funding Corporation	Louisiana Equipment Finance Corporation	LPFA Housing Assistance Corporation	Totals
Current Assets:				
Cash and Cash Equivalents	$ 12,849	$ 16,095	$ -	$ 28,944
Receivables:				
Mortgage Loans Receivable	-	-	126,743	126,743
Total Current Assets	12,849	16,095	126,743	155,687
Noncurrent Assets:				
Mortgage Loans Receivable - Long Term	-	-	9,346,194	9,346,194
Total Noncurrent Assets	-	-	9,346,194	9,346,194
Total Assets	$ 12,849	$ 16,095	$ 9,472,937	$ 9,501,881

LIABILITIES AND NET ASSETS

	Louisiana Capital Funding Corporation	Louisiana Equipment Finance Corporation	LPFA Housing Assistance Corporation	Totals
Current Liabilities:				
Mortgage Loans Payable	$ -	$ -	$ 126,743	$ 126,743
Total Current Liabilities	-	-	126,743	126,743
Long-Term Liabilities:				
Mortgage Loans Payable	-	-	9,346,194	9,346,194
Total Long Term Liabilities	-	-	9,346,194	9,346,194
Total Liabilities	-	-	9,472,937	9,472,937
Net Assets:				
Unrestricted	12,849	16,095	-	28,944
Total Net Assets	12,849	16,095	-	28,944
Total Liabilities and Net Assets	$ 12,849	$ 16,095	$ 9,472,937	$ 9,501,881

The accompanying notes are an integral part of this statement.

Exhibit E

LOUISIANA PUBLIC FACILITIES AUTHORITY

COMBINING STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

ALL DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED DECEMBER 31, 2006

	Louisiana Capital Funding Corporation	Louisiana Equipment Finance Corporation	LPFA Housing Assistance Corporation	Totals
Operating Revenues:				
Interest - Mortgage Loans	$ -	$ -	$ 642,541	$ 642,541
Total Operating Revenues	-	-	642,541	642,541
Operating Expenses:				
Interest - Mortgage Loans	-	-	642,541	642,541
Legal and Accounting Services	495	495	-	990
Other	40	31	-	71
Total Operating Expenses	535	526	642,541	643,602
Change in Net Assets	(535)	(526)	-	(1,061)
Total Net Assets - Beginning of Year	13,384	16,621	-	30,005
Total Net Assets - End of Year	$ 12,849	$ 16,095	$ -	$ 28,944

The accompanying notes are an integral part of this statement.

Exhibit F

LOUISIANA PUBLIC FACILITIES AUTHORITY

COMBINING STATEMENTS OF CASH FLOWS

ALL DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED DECEMBER 31, 2006

	Louisiana Capital Funding Corporation	Louisiana Equipment Finance Corporation	LPFA Housing Assistance Corporation	Totals
Cash Flows From Operating Activities:				
Cash Received from Customers	$ -	$ -	$ 642,541	$ 642,541
Cash Payments to Suppliers for Goods and Services	(495)	(495)	(642,541)	(643,531)
Other Operating Revenues (Expenses)	(40)	(31)	-	(71)
Net Cash Used in Operating Activities	(535)	(526)	-	(1,061)
Cash Flows From Non-Capital Financing Activities:				
Principal Collections on Mortgage Loans	-	-	1,782,234	1,782,234
Principal Repayment on Mortgage Loans	-	-	(1,782,234)	(1,782,234)
Net Cash Provided by (Used in) Non-Capital Financing Activities	-	-	-	-
Net Decrease in Cash and Cash Equivalents	(535)	(526)	-	(1,061)
Cash and Cash Equivalents - Beginning of Year	13,384	16,621	-	30,005
Cash and Cash Equivalents - End of Year	$ 12,849	$ 16,095	$ -	$ 28,944
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:				
Operating Loss	$ (535)	$ (526)	$ -	$ (1,061)
Net Cash Used in Operating Activities	$ (535)	$ (526)	$ -	$ (1,061)

The accompanying notes are an integral part of this statement.

Note 1 - General Information and Summary of Significant Accounting Policies -

The Louisiana Public Facilities Authority (the Authority), a public trust, was created on August 21, 1974 by the Public Facilities Corporation, a Louisiana corporation, as settler under an Indenture of Trust in accordance with the provisions of the Louisiana Public Trust Act R.S. 9:2341 et seq. The Authority operates under a Board of Trustees.

The purposes of the Authority are to promote, encourage and further the accomplishment of all activities which are or may become of benefit to the State of Louisiana and which have a public purpose. To accomplish these purposes, the Authority issues bonds that provide the proceeds for the furtherance and accomplishment of various public purposes. The issuance of such obligations has been accounted for through trustee accounts maintained with various banks appointed as trustees. The obligations are limited and special obligations of the Authority and, as such, the Authority does not normally have any claims to assets or liabilities relating to the Bond issues. Accordingly, such transactions are not included in the accompanying financial statements until such time as an asset or liability has been determined to exist relating to residual amounts. Total bond principal outstanding at December 31, 2006, for Programs and Projects was approximately $1,153,505,000 and $3,015,650,000 respectively.

The following is a summary of certain significant accounting policies:

A. **Scope of Reporting Entity**

For reporting purposes, the State of Louisiana is the financial reporting entity. The financial reporting entity consists of (a) the primary government (state), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Louisiana Public Facilities Authority is considered a component unit of the State of Louisiana because the state has financial accountability over the Authority in that the Louisiana Joint Legislative Committee on the Budget has the authority to approve and amend the Authority's budget and the governor appoints all the Board of Trustees and can impose his/her will on the Authority. The accompanying financial statements present information only on the funds maintained by the Louisiana Public Facilities Authority and do not present information on the state, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

In addition, the Governmental Accounting Standards Board (GASB) Statement No. 14, the Financial Reporting Entity, established criteria for determining which component units should be considered part of the Authority for financial reporting purposes. The basic criteria are as follows:

1. Appointing a voting majority of an organization's governing body, and
   a. The ability of the Authority to impose its will on that organization and/or
   b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Authority.
2. Organizations for which the Authority does not appoint a voting majority but are fiscally dependent on the Authority.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Authority's management has included the following discretely presented component units in the financial reporting entity:

- The Louisiana Capital Funding Corporation (LCFC) is a nonprofit Louisiana Corporation that was organized to promote, support, aid and assist the Authority's Local Government Capital Funding Program. The LCFC has a December 31, 2006 year-end.

- The Louisiana Equipment Finance Corporation (LEFC) is a nonprofit Louisiana Corporation that was organized to promote, support, aid and assist with the Authority's programs. The LEFC has a January 31, 2007 fiscal year end.

- The Louisiana Municipal Assistance Corporation (LMAC) is a nonprofit Louisiana Corporation that was organized to provide assistance to local governments with the Authority's programs. At December 31, 2006, the LMAC had no assets or liabilities.

- In March 2003, the Authority created the LPFA Housing Assistance Corporation (LHAC) for the purpose of assisting persons of low to moderate income with the purchase of homes through a lease-purchase program. LHAC has a December 31, 2006 year end. The Authority issued its LPFA Variable Rate Lease Purchase Revenue Bonds, Series 2003, to fund this lease-purchase program. Under the program, a participant (the Participant) works with the independent program administrators and a financial institution to become qualified to participate in the program. Once the participant has been approved by a financial institution, the Participant then identifies a house for purchase. LHAC then purchases the house identified by the Participant and leases the house to the Participant. LHAC pays the purchase price of the house by signing a mortgage (the Mortgage) in an amount equal to approximately 97% of the purchase price negotiated by the seller and the Participant. The remaining approximately 3% of the purchase price is paid from the proceeds of the Lease Purchase Revenue Bonds as part of the down payment and closing costs assistance provided to the Participant by the program. The lease terms are 39 months and the Participant assumes the Mortgage at the expiration of the lease. The approximately 3% of the purchase price paid from the proceeds of the Lease Purchase Revenue Bonds is treated as a grant from the Lease Purchase Revenue Bonds to LHAC and then a grant by LHAC to the Participant. The mortgage loan receivable and related payments are recorded on the balance sheet of the component unit financial statement. In effect, LHAC is merely a conduit in assisting individuals purchase their personal residences and therefore mortgage loans receivable will equal mortgage loans payable. The Authority and LHAC do not anticipate the generation of income from the leasing and subsequent transfer of the homes to the respective Participants.

B. Measurement Focus and Basis of Accounting

Measurement Focus - On January 1, 2001, the Authority adopted the provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "*Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.*"

Statement 34 established standards for external financial reporting for all state and local governmental entities which includes a statement of net assets, a statement of revenues and expenses and changes in net assets and a statement of cash flows.

The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting - The Authority uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred or economic asset used.

Under the provisions of GASB Statement 20, "Accounting and Financial Reporting for Proprietary Fund Accounting," the Authority follows pronouncements of the GASB and has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

Financial statement presentation of the LCFC, LEFC, and LHAC follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the LCFC, LEFC, and the LHAC are required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets as applicable. As of December 31, 2006, there were no temporary or permanently restricted net assets.

The financial statements of the LCFC, LEFC, and LHAC have been prepared on the accrual basis in which revenue is recognized when earned and expenses are recognized when incurred.

C. Budgets and Budgetary Accounting

The Authority uses the following budgetary practices:

The Authority prepared its annual operating budget based on what was expected to be collected during the fiscal year. Management presents the budget to the Board of Trustees for approval prior to the budget being submitted to the Louisiana Joint Legislative Committee on the Budget. In addition, certain expenses were approved as necessary by the Board of Trustees before payment. Any budget amendments necessary during the year must be approved by the Board of Trustees and the Louisiana Joint Legislative Committee on the Budget.

The Authority is not required to present a budget comparison in its financial statements.

D. Assets, Liabilities and Net Assets

Cash, Interest Bearing Deposits, and Investments - Cash includes demand deposits and money market deposits in trust accounts. Interest bearing deposits include certificates of deposits. Investments and Interest Bearing Deposits are reported at fair value or at book value if fair value is not readily determinable as determined by the Authority's management. Fair value generally is considered to be the amount which the Authority might reasonably expect to receive for its investments if negotiations for sale were entered into on the valuation date. Valuation as of any particular date, however, is not necessarily indicative of the amount which the Authority ultimately may realize as a result of a future sale or other disposition of the investments.

In preparing the financial statements, the Authority's management is required to make significant judgments that affect the reported amounts of certain investments as of the date of the balance sheet and the change in unrealized appreciation (depreciation) for the period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the value that would have been used had a ready market for these investments existed and these differences could be material.

The process of valuing certain investments requires significant judgments that are particularly susceptible to change. The Authority's management believes that investment values are appropriate. While the Authority's management uses available information to recognize declines in investment values, future adjustments may be necessary based on changes in economic conditions or changes in the results of the operations of investee company. Fluctuations in the fair value of Investments and Interest Bearing Deposits are recorded as realized and unrealized gains (losses) in the statement of revenues and expenses and changes in net assets.

The Authority has one equity investment in Louisiana Fund I, L.P. which is valued initially at cost. Subsequent adjustments to values will reflect meaningful third-party transactions in the private market or at fair market value reflecting, in any event, the investment's marketability, the business and prospects of the issuer of the investment and other relevant factors.

Receivables - Receivables are stated at their face value less the allowances for doubtful accounts. These allowances are based on the Authority's periodic evaluation of the receivable portfolio and the Authority's past loss experience. The allowances for doubtful accounts are adjusted by charges to income and decreased by charge-offs (net of recoveries).

The Authority from time to time advances funds to certain bond programs and loans funds to local governmental entities and nonprofit organizations at no interest. Accordingly, a discount is recorded between the present values of the total eventual repayments of the notes, using a rate of interest similar to the rate of return that the Authority receives on its investments. The discounts are amortized over the estimated periods that such funds will be repaid and are included in Interest Income, net in the financial statements. The majority of the receivables consist of the loans to local government entities and nonprofit organizations at no interest.

Capital Assets - Depreciation of all capital assets used by the Authority is charged as an expense against its operations. Depreciation has been provided over the assets estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Office Furniture and Equipment	3 - 7 Years
Leasehold Improvements	10 Years

All fixed assets are stated at historical costs.

Equity Classifications - Equity is classified as net assets and displayed in two components:

- Invested in capital assets, net of related debt - This component of net assets consist of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

- Unrestricted net assets - This component of net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

E. Operating Revenues

Program Investment Earnings - Program Investment Earnings consist primarily of residual funds of retired program bond issues. Residual proceeds represent cash and investment balances of a program bond issue that remain after the extinguishment of all obligations, including applicable arbitrage rebate to the federal government. The residuals are due to the Authority unless the issue's Indenture of Trust identifies another recipient. The residual funds are recognized as income to the Authority upon the termination of the issue's Indenture of Trust.

Project and Program Administrative Fees:

Finance Acceptance Fee - The Authority requires a financing acceptance fee usually equal to one-twentieth of one percent of the face amount of issued bonds less the financing application fee. The financing acceptance fee covers general administration expenses incurred by the Authority. This fee is due upon the closing of a bond issue and is recorded as revenue at such time.

Multi-Family Annual Issuer Fees - The Authority assesses an annual issuer fee on all multi-family bond issues. The fee is based upon a percentage of the outstanding bond principal balance as of January 1 of each year. The percentage usually is either one-twentieth of one percent for pre 1985 issues or one-tenth of one percent for issues thereafter. The fee covers general administration expenses incurred by the Authority.

Program Administrative Fees - The Authority acts as both the issuer and administrator for certain student loan and single family housing bond programs. The Authority is compensated as administrator through a fee usually based upon a percentage of either the outstanding bonds or assets of the program. The percentages vary from one-tenth of one percent to seven-tenths of one percent. The fee is assessed to cover program administrative costs incurred by the Authority.

Financing Application Fee - The Authority assesses a non-refundable financing application fee of $500 on all project-financing applications formally submitted for consideration by the Authority's Board of Trustees.

F. Income Taxes

No provision is made for income taxes because, as a public trust whose beneficiary is the State of Louisiana, the Authority is exempt from federal and state income taxes.

G. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

H. Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported period. Actual results could differ from those estimates.

Note 2 - Cash, Cash Equivalents and Investments -

The Authority maintains cash, certificates of deposit and investment pools available for use by the Authority.

As of December 31, 2006, the Authority had the following investments and maturities:

			Investment Maturities (in Years)			
Investment Type	Amortized Cost	Fair Value	Less Than 1	1 - 5	6 - 10	More Than 10
U.S. Agencies	$ 6,950,055	$ 6,810,530	$ 198,188	$6,210,590	$ 401,752	$ -
Municipal Government Bonds	257,000	260,112	-	-	-	260,112
Time Certificates of Deposit	4,713,648	4,668,569	1,054,427	3,614,142	-	-
Equity Investment	260,000	260,000	-	-	-	-
Total	$12,180,703	$11,999,211	$1,252,615	$9,824,732	$ 401,752	$ 260,112

Interest Rate Risk. As a means of limiting its exposure to fair value changes arising from fluctuations in interest rates, the Authority attempts to ladder the maturities of its investments so that at least 15-20% of its investments mature or come due each year. The Authority typically buys and holds its investments until maturity or until called. Any exceptions to this policy will be based on recommendations of the Chief Executive Officer to the members of the Investment Committee.

Credit Risk. The Authority limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). As of December 31, 2006, the Authority held no investments in commercial paper or corporate bonds.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. Neither the Authority nor the discretely presented component units have a deposit policy for custodial credit risk. As of December 31, 2006, $340,235 of the Authority's bank balance of $3,965,195 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the investments in Time Certificates of Deposits of $4,718,998 the government has a custodial credit risk exposure of $473,000 because the related Time Certificates of Deposits are uninsured and uncollateralized.

Cash, Cash Equivalents and Investments are included in the accompanying Balance Sheet at fair value under the following captions:

	Primary Government	Component Units	Total Reporting Entity
Cash and Cash Equivalents	$ 3,924,404	$ 28,944	$ 3,953,348
Interest Bearing Deposits - Current	1,054,427	-	1,054,427
Investment Securities - Current	198,188	-	198,188
Interest Bearing Deposits - Long-Term	3,614,142	-	3,614,142
Investment Securities - Long-Term	7,132,454	-	7,132,454
	$ 15,923,615	$ 28,944	$ 15,952,559

There were no marketable securities held by the component units at December 31, 2006.

As of December 31, 2006, the Authority had the following unfunded investment commitment:

The Authority invested $260,000 of a $1,000,000 commitment for a limited partnership interest in Louisiana Fund I, L.P. in 2006. The remaining commitment of $740,000 will be paid according to the terms of the limited partnership agreement and will be funded with available cash or future revenues of the Authority.

Note 3 - Leases -

The Authority leases its office facilities under an operating lease agreement, which expires on March 31, 2009. Rental expense applicable to the Authority's offices included in rent expense for 2006 was $150,524.

Future minimum lease payments are as follows:

December 31, 2007	$ 154,668
December 31, 2008	158,494
December 31, 2009	39,863
	$ 353,025

Note 4 - Employee Retirement Plan -

The Authority sponsors a defined contribution employee retirement plan which covers all employees who have over 500 hours of service with the Authority. Contributions to the plan are subject to a minimum funding requirement of 7.50% of eligible employee salaries. Amounts above the minimum requirements are discretionary, as determined by the Board of Trustees. The contribution percentage for the year ended December 31, 2006 was 11.2%. Total contributions are included in Employees' Salaries and Benefits in the accompanying financial statements. The Authority has no additional liability upon the retirement of an employee. The total contribution for the year ended December 31, 2006, was $86,417.

Note 5 - Litigation -

Because of the Authority's status as an issuer of bonds, it is routinely named in various litigation related to the funded projects and programs. In the opinion of management and legal counsel for the Authority, these claims are without merit because of the Authority's limited position as only a conduit for the bond issues.

Note 6 - Fair Value of Reimbursable Bond Issuance Costs, Local Government Bond Bank Receivables, Rural Development Loan Program Receivables, and Loans to Nonprofit Organizations -

In its capacity as issuer of bond Programs and Projects, the Authority may from time to time advance funds to facilitate the issuance of certain bonds. These advances or Reimbursable Bond Issuance Costs are interest free and are to be repaid with residual proceeds from the individual Programs or Projects.

The Authority has also established its "Bond Bank" and "Rural Development" Programs whereby it can lower the cost of local governmental borrowings by making direct loans for a portion of the borrowing at a 0% interest rate. In addition, the Authority has loaned certain nonprofit organizations funds at 0% interest so that these organizations could secure additional funding from other sources.

The fair value for these Reimbursable Bond Issuance Costs, Local Government Bond Bank Receivables, Rural Development Loan Program Receivables, and Loans to Nonprofit Organizations are estimated using discounted cash flow analyses, with interest rates similar to the rate of return that the Authority receives on its investments which was 5.31% for the year ended December 31, 2006. The terms used in calculating the discounted cash flows are estimated based upon the maturity dates of the bond issues in which monies were advanced for the Reimbursable Bond Issuance Costs and the actual loan maturity dates for the Local Bond Bank Receivables, Rural Development Loan Program Receivables, and the Loans to Nonprofit Organizations. The carrying value and estimated fair value of Reimbursable Bond Issuance Costs, Local Government Bond Bank Receivables, Rural Development Loan Program Receivables, and Loans to Nonprofit Organizations are as follows:

	Carrying Value	Unamortized Discount	Fair Value
Reimbursable Bond Issuance Costs	$ 161,695	$ 46,646	$ 115,049
Local Government Bond Bank Receivables	$ 2,298,890	$ 342,199	$ 1,956,691
Rural Development Loan Program Receivables	$ 1,016,000	$ 29,060	$ 986,940
Loans to Nonprofit Organizations	$ 1,937,984	$ 486,281	$ 1,451,703

The total amount of discount amortized and netted with interest income for the year ended December 31, 2006 was $287,794.

Note 7 - Capital Assets -

Capital asset activity for the year ended December 31, 2006 was as follows:

	Balance January 1, 2006	Additions	Disposals	Balance December 31, 2006
Office Furniture and Equipment	$ 468,833	$ 46,389	$ -	$ 515,222
Leasehold Improvements	9,877	-	-	9,877
Total	478,710	46,389	-	525,099
Less accumulated depreciation:				
Office Furniture and Equipment	384,786	47,082	-	431,868
Leasehold Improvements	6,289	896	-	7,185
Total Accumulated Depreciation	391,075	47,978	-	439,053
Net Capital Assets	$ 87,635	$ (1,589)	$ -	$ 86,046

Total depreciation expense for the period ended December 31, 2006 is $47,978.

Note 8 - Changes in Amounts Invested in Capital Assets, Net of Related Debt -

The change in amounts invested in capital assets net of related debt can be summarized as follows:

Balance at January 1, 2006	$ 87,635
Change in Capital Assets	(1,589)
Balance at December 31, 2006	$ 86,046

Note 9 - Compensated Absences -

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. Vacation and sick leave is paid to the employees upon termination. Employees have the option to receive payment of unused vacation and sick leave in December or can choose to use the accumulated vacation and sick leave in the future. The liability for unused compensated absences is $12,464 and is reflected in these financial statements in the Accounts Payable balance.

Note 10 - Hurricanes Katrina and Rita -

Hurricane Katrina hit the coasts of southeast Louisiana, Mississippi and Alabama on August 29, 2005. Hurricane Rita hit the coasts of southwest Louisiana and southeast Texas on September 24, 2005. The President of the United States declared the majority of the State of Louisiana a disaster area. Damages due to wind and flooding are catastrophic in these areas. The Authority has various loans receivable to governments and other organizations in the hurricane affected area. Management has continued to evaluate any remaining receivables in the affected area and has extended repayment terms in certain cases. At this time, the Authority believes these receivables continue to be collectible and will make adjustments on a case by case basis, if necessary.

SUPPLEMENTARY INFORMATION

Schedule 1

LOUISIANA PUBLIC FACILITIES AUTHORITY

SCHEDULE OF PER DIEMS PAID TRUSTEES

FOR THE YEAR ENDED DECEMBER 31, 2006

Thomas A. Antoon - Chairman	$ 6,200
John D. Bernhardt - Vice Chairman	2,000
Carl D. Clark - Secretary/Treasurer	3,800
Jerome Boykin – Member	2,000
Camille A. Cutrone – Member	2,200
Christopher Arsement – Member	1,800
	$ 18,000

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Hannis T. Bourgeois, LLP
Certified Public Accountants

Randy J. Bonnecaze, CPA*
Joseph D. Richard, Jr., CPA*
Ronnie E. Stamper, CPA*
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April 13, 2007

To the Board of Trustees
Louisiana Public Facilities Authority
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Public Facilities Authority (the Authority) as of and for the year ended December 31, 2006, and have issued our report thereon dated April 13, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that would be required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Board of Trustees, management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Hannis T. Bourgeois, LLP

LOUISIANA PUBLIC FACILITIES AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2006

As required by the Office of Louisiana Legislative Auditor, the following is a summary of the results of our audit:

- Type of report issued on financial statements - unqualified.
- There were no material weaknesses in internal controls.
- There were no findings to be reported under Government Auditing Standards.
- The results of our audit procedures disclosed no material noncompliance.

LOUISIANA PUBLIC FACILITIES AUTHORITY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2006

None

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATE OF LOUISIANA
ANNUAL FINANCIAL STATEMENTS

Louisiana Public Facilities Authority
STATE OF LOUISIANA
Annual Financial Statements
December 31, 2006

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2	Schedule of State Funding
3	Schedules of Long-Term Debt
4	Schedules of Long-Term Debt Amortization
15	Schedule of Comparison Figures and Instructions

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B	Information for Note C - "Deposits with Financial Institutions and Investments"
C	Information for Note BB – "Net Assets Restricted by Enabling Legislation"
D	Information for Note CC – "Impairment of Capital Assets"

Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending December 31, 2006

Louisiana Public Facilities Authority

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, James W. Parks II (Name) President (Title) of Louisiana Public Facilities Authority (Agency) who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Public Facilities Authority (agency) at December 31, 2006 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 8th day of May, 2007.

Signature of Agency Official

NOTARY PUBLIC

JACOB S. CAPRARO, #3862
NOTARY PUBLIC
Parish of Orleans, State of Louisiana
My Commission is Issued for Life.

Prepared by: ______________________

Title: ______________________

Telephone No.: ______________________

Date: ______________________

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
MANAGEMENTS' DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2006

Please refer to the Management Discussion and Analysis of the Louisiana Public Facilities Authority as it appears on pages 3 thru 8 in the introductory section of the basic financial statements for the year ending December 31, 2006.

STATE OF LOUISIANA Statement A

LOUISIANA PUBLIC FACILITIES AUTHORITY
BALANCE SHEET
AS OF DECEMBER 31, 2006

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	$	8,621,917
Investments		198,188
Receivables (net of allowance for doubtful accounts)(Note U)		2,588,423
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		30,348
Notes receivable		
Other current assets		
Total current assets		11,438,876
NONCURRENT ASSETS:		
Restricted assets (Note F):		
Cash		
Investments		
Receivables		12,834,433
Notes receivable		
Investments		7,132,454
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		2,691
Machinery and equipment		83,355
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		20,052,933
Total assets	$	31,491,809

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	$	124,797
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations - (Note J)		
Claims and litigation payable (Note K)		
Notes payable		126,743
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		251,540
NON-CURRENT LIABILITIES:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations (Note J)		
Claims and litigation payable (Note K)		
Notes payable		9,346,194
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		9,346,194
Total liabilities		9,597,734

NET ASSETS

Invested in capital assets, net of related debt		86,046
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		21,808,029
Total net assets		21,894,075
Total liabilities and net assets	$	31,491,809

The accompanying notes are an integral part of this financial statement.

Statement B

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2006

OPERATING REVENUES	
Sales of commodities and services	$
Assessments	
Use of money and property	
Licenses, permits, and fees	
Other	2,773,831
Total operating revenues	2,773,831
OPERATING EXPENSES	
Cost of sales and services	
Administrative	3,014,405
Depreciation	47,978
Amortization	
Total operating expenses	3,062,383
Operating income(loss)	(288,552)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	
Intergovernmental revenues (expenses)	
Taxes	
Use of money and property	
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest Revenue (expense)	663,019
Other revenue	39,274
Other expense	
Total non-operating revenues(expenses)	702,293
Income(loss) before contributions and transfers	413,741
Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	
Change in net assets	413,741
Total net assets – beginning	21,480,334
Total net assets – ending	$ 21,894,075

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

See Appendix A for instructions

	Expenses	Services	Contributions	Contributions	Net Assets
Primary Government:					
LPFA	2,418,781	2,107,549			(311,232)
Component Units:					
LA Capital Funding Corp	535	-			(535)
LA Equipment Finance Corp	526	-			(526)
LPFA Housing Assistance Corp	642,541	642,541			-
	3,062,383	2,750,090	-	-	(312,293)

General revenues:	
Taxes	
State appropriations	
Grants and contributions not restricted to specific programs	
Interest	702,293
Miscellaneous	23,741
Special items	
Extraordinary item - Loss on impairment of capital assets	
Transfers	
Total general revenues, special items, and transfers	726,034
Change in net assets	413,741
Net assets - beginning	21,480,334
Net assets - ending	$ 21,894,075

The accompanying notes are an integral part of this financial statement.

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006

Cash flows from operating activities		
Cash received from customers	$ 2,640,772	
Cash payments to suppliers for goods and services	(1,328,671)	
Cash payments to employees for services	(1,011,200)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)	(699,095)	
Net cash provided(used) by operating activities		$ (398,194)
Cash flows from non-capital financing activities		
State appropriations		
Interest paid on bond maturities		
Proceeds from issuance of mortgages		
Principal paid on notes payable	1,782,234	
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other - Repayment of Mortgage Loans Issued	(1,782,234)	
Net cash provided(used) by non-capital financing activities		-
Cash flows from capital and related financing activities		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(46,389)	
Proceeds from sale of capital assets		
Net cash provided(used) by capital and related financing activities		(46,389)
Cash flows from investing activities		
Purchases of investment securities	(1,858,442)	
Proceeds from sale of investment securities	1,233,514	
Interest and dividends earned on investment securities	663,019	
Net cash provided(used) by investing activities		38,091
Net increase(decrease) in cash and cash equivalents		(406,492)
Cash and cash equivalents at beginning of year		4,359,840
Cash and cash equivalents at end of year		$ 3,953,348

The accompanying notes are an integral part of this statement.

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2006

Operating income(loss)		$ (288,552)
Adjustments to reconcile operating income(loss) to net cash provided		
Depreciation/amortization	47,978	
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	(128,058)	
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments	(15,009)	
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	(14,553)	
Increase(decrease) in accrued payroll and related benefits		
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		$ (398,194)

Schedule of noncash investing, capital, and financing activities:

Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
Unrealized losses on investments	39,274
Amortization of Discounts on Receivables based on imputed interest of 3.91%; netted with interest income	287,794
Total noncash investing, capital, and financing activities:	$ 327,068

The accompanying notes are an integral part of this statement.

INTRODUCTION

The Louisiana Public Facilities Authority (the Authority), a public trust, was created on August 31, 1974 by the Public Facilities Corporation, a Louisiana corporation, as settler under an Indenture of Trust in accordance with the provisions of the Louisiana Public Trust Act R.S. 9:2341 et seq. The Authority operates under a Board of Trustees.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana Public Facilities Authority (the Authority) present information only as to the transactions of the programs of the Authority as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Authority are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The Authority uses the following budgetary practices:

The Authority prepared its annual operating budget based on what was expected to be collected during the fiscal year. Management presents the budget to the Board of Trustees for approval prior to the budget being submitted to the Louisiana Joint Legislative Committee on the Budget. In addition, certain expenses were approved as necessary by the Board of Trustees before payment. Any budget amendments necessary during the year must be approved by the Board of Trustees and the Louisiana Joint Legislative Committee on the Budget.

The Authority is not required to present a budget comparison in its financial statements.

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the LPFA may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the LPFA may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at December 31, 2006, consisted of the following:

	Cash	Certificates of Deposit	Mutual Fund Money Market Accounts	Total
Deposits in Bank Accounts Per Balance Sheet	$ 428,389	$ 4,668,568	$ 3,524,960	$ 8,621,917
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
a. Uninsured and uncollateralized	$ 340,235	$ 473,000	$	$ 813,235
b. Uninsured and collateralized with securities held by the pledging institution				-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name				-
Total Bank Balances - All Deposits	$ 440,235	$ 4,718,998	$ 3,524,960	$ 8,684,193

NOTE: The "Total Bank Balances – All Deposits" will not necessarily equal the "Deposits in Bank Account per Balance Sheet" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

1. Capital One	Demand Deposits	$ 440,235
2. Bank of New York	Certificates of Deposit	3,465,948
3. Merrill Lynch	Certificates of Deposit	864,050
4 Saloman Smith Barney	Certificates of Deposit	389,000
5 Bank of New York	Money Markets	3,348,230
6 Merrill Lynch	Money Markets	176,292
7 Saloman Smith Barney	Money Markets	438
Total		$ 8,684,193

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury $ ________
Petty cash $ ________

2. INVESTMENTS

The LPFA does/does not maintain investment accounts as authorized by the State of Louisiana (Note legal provisions authorizing investments by (BTA)).

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure	
Type of Investment	Uninsured, *Unregistered, and Held by Counterparty	Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name	Reported Amount	Fair Value
Repurchase agreements	$	$	$	$
U.S. Government securities			6,950,055	6,810,530
U. S. Agency Obligations				
Common & preferred stock				
Commercial paper				
Corporate bonds				
Other: (identify)				
Muncipal Government Bonds			257,000	260,112
Equity Investment			260,000	260,000
Total investments	$ -	$ -	$ 7,467,055	$ 7,330,642

* unregistered - not registered in the name of the government or entity

3. Derivatives

The institution does/does not (circle one) invest in derivatives as part of its investment policy. Accordingly, the exposure to risk from these investments is as follows:
credit risk__________
market risk__________
legal risk__________

4. Credit Risk, Interest Rate Risk, Concentration of Credit Risk, and Foreign Currency Risk Disclosures

A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

Rating	Fair Value
Not Applicable	$
Total	$ -

B. Interest rate Risk

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type.

		Investment Maturities (in Years)			
Type of Debt Investment	Fair Value	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	$ 6,810,530	$ 198,188	$ 6,210,590	$ 401,752	$
U.S. Agency obligations					
U.S. Treasury obligations					
Mortgage backed securities					
Collateralized mortgage obligations					
Corporate bonds					
Other bonds					
Municipal Government Bond	260,112				260,112
Equity Investment	260,000				
Total debt investments	$ 7,330,642	$ 198,188	$ 6,210,590	$ 401,752	$ 260,112

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (e.g. coupon multipliers, reset dates, etc.):

Debt Investment	Fair Value	Terms
	$	
Total	$ -	

C. Concentration of Credit Risk

List, by amount and issuer, investments in any one issuer (not including U.S. government securities, mutual funds, and external investment pools) that represents 5% or more of total investments.

Issuer	Amount	% of Total Investments
	$	
Total	$ -	

D. Foreign Currency Risk

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

	Fair Value in U.S. Dollars	
Foreign Currency	Bonds	Stocks
	$	$
Total	$ -	$ -

5. Policies

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.
Credit Risk. The Authority limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). As of December 31, 2006, the Authority held no investments in commercial paper or corporate bonds.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. Neither the Authority nor the discretely presented component units have a deposit policy for custodial credit risk. As of December 31, 2006, $340,235 of the Authority's bank balance of $3,965,195 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the investment in Time Certificates of Deposits of $4,718,998 the government has a custodial credit risk exposure of $473,000 because the related Time Certificates of Deposits are uninsured and uncollateralized.

6. Other Disclosures Required for Investments

a. Investments in pools managed by other governments or mutual funds____

b. Securities underlying reverse repurchase agreements____

c. Unrealized investment losses ____

d. Commitments as of ____________(fiscal close), to resell securities under yield maintenance repurchase agreements:

1. Carrying amount and market value at June 30 of securities to be resold

2. Description of the terms of the agreement

e. Losses during the year due to default by counterparties to deposit or investment transactions

____

f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet

____

Legal or Contractual Provisions for Reverse Repurchase Agreements

g. Source of legal or contractual authorization for use of reverse repurchase agreements

____

h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year

____

Reverse Repurchase Agreements as of Year-End

i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest ______________________

____

j. Commitments on ___________ (fiscal close) to repurchase securities under yield maintenance agreements______________________________

k. Market value on ___________ (fiscal close) of the securities to be repurchased ________

____

l. Description of the terms of the agreements to repurchase

____

m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements ______________________________

____

n. Amounts recovered from prior-period losses which are not separately shown on the operating statement ______________________________

Fair Value Disclosures

o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices ______________________

____

p. Basis for determining which investments, if any, are reported at amortized cost ________

____

q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool ______________________

____

r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares ______________________

____

s. Any involuntary participation in an external investment pool

____

t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate

____

u. Any income from investments associated with one fund that is assigned to another fund

____

____

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended December 31, 2006						
	Balance 12/31/2005	Prior Period Adjustment	Adjusted Balance 12/31/2005	Additions	Transfers*	Retirements	Balance 12/31/2006
Capital assets not being depreciated							
Land	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-depreciable land improvements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not being depreciated	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other capital assets							
Furniture, fixtures, and equipment	$ 468,833	$ -	$ 468,833	$ 46,389	$ -	$ -	$ 515,222
Less accumulated depreciation	(384,786)	-	(384,786)	(47,082)	-	-	(431,868)
Total furniture, fixtures, and equipment	84,047	-	84,047	(693)	-	-	83,354
Buildings and improvements	9,877	-	9,877	-	-	-	9,877
Less accumulated depreciation	(6,289)	-	(6,289)	(896)	-	-	(7,185)
Total buildings and improvements	3,588	-	3,588	(896)	-	-	2,692
Depreciable land improvements	-	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-
Total depreciable land improvements	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Total other capital assets	$ 87,635	$ -	$ 87,635	$ (1,589)	$ -	$ -	$ 86,046
Capital Asset Summary:							
Capital assets not being depreciated	$ -	$ -	$ -	$ -	$ -	$ -	-
Other capital assets, at cost	478,710	-	478,710	46,389	-	-	525,099
Total cost of capital assets	478,710	-	478,710	46,389	-	-	525,099
Less accumulated depreciation	(391,075)	-	(391,075)	(47,978)	-	-	(439,053)
Capital assets, net	$ 87,635	$ -	$ 87,635	$ (1,589)	$ -	$ -	$ 86,046

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet

E. INVENTORIES

The Authority does not maintain any Inventories.

F. RESTRICTED ASSETS

Restricted assets in the LPFA at December 31, 2006 (fiscal year end), reflected at $0 in the non-current assets section on Statement A.

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana Public Facilities Authority has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. Vacation and sick leave is paid to the employees upon termination. Employees have the option to receive payment of unused vacation and sick leave in December or can choose to use the accumulate vacation and sick leave in the future. The liability for unused compensated absences is $12,464 and is reflected in these financial statements in the Accounts Payable balance.

2. COMPENSATORY LEAVE

The Authority does not have compensatory leave balances remaining at year-end. All nonexempt employees are paid for overtime work during the pay period in which the work was performed.

H. RETIREMENT SYSTEM

The Authority sponsors a defined contribution employee retirement plan which covers all employees who have over 500 hours of service with the Authority. Contributions to the plan are subject to a minimum funding requirement of 7.50% of eligible employee salaries. Amounts above the minimum requirements are discretionary, as determined by the Board of Trustees. The contribution percentage for the year ended December 31, 2006 was 11.2%. Total contributions are included in Employees' Salaries and Benefits in the accompanying financial statements. The Authority has no additional liability upon the retirement of an employee. The total contribution for the year ended December 31, 2006 was $86,417.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Louisiana Public Facilities Authority does not have any post retirement health care and life insurance benefits available for the employees at December 31, 2006.

J. LEASES

NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2006 amounted to $150,523. **(Note: If lease payments extend past FY 2021, create additional columns and report these future minimum lease payments in five year increments.)** A schedule of payments for operating leases follows:

Nature of lease	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012-2016	FY 2017-2021
Office Space	$ 154,668	$ 158,494	$ 39,863	$	$	$	$
Total	$ 154,668	$ 158,494	$ 39,863	$ -	$ -	$ -	$ -

The Authority leases its office facilities under an operating lease agreement, which expires on March 31, 2009.

2. CAPITAL LEASES

Capital leases are / are not recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Schedule A should be used to report all capital leases including new leases in effect as of 6/30/06. In Schedule B, report only those new leases entered into during fiscal year 2005-2006.

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	$ -	$ -	$ -
b. Equipment	-	-	-
c. Land	-	-	-
Total	$ -	$ -	$ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2026, create additional rows and report these future minimum lease payments in five year increments.)**

Year ending June 30 :	Total
2007	$ -
2008	-
2009	-
2010	-
2011	-
2012-2016	-
2017-2021	-
2022-2026	-
Total minimum lease payments	-
Less amounts representing executory costs	-
Net minimum lease payments	-
Less amounts representing interest	-
Present value of net minimum lease payments	$ -

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	$ -	$ -	$ -
b. Equipment	-	-	-
c. Land	-	-	-
Total	$ -	$ -	$ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2026, create additional rows and report these future minimum lease payments in five year increments.)**

Year ending June 30:	Total
2007	$ -
2008	-
2009	-
2010	-
2011	-
2012-2016	-
2017-2021	-
2022-2026	-
Total minimum lease payments	-
Less amounts representing executory costs	-
Net minimum lease payments	-
Less amounts representing interest	-
Present value of net minimum lease payments	$ -

SCHEDULE C – LEAF CAPITAL LEASES

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	$ -	$ -	$ -
b. Equipment	-	-	-
c. Land	-	-	-
Total	$ -	$ -	$ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2026, create additional rows and report these future minimum lease payments in five year increments.)**

Year ending June 30:	Total
2007	$ -
2008	-
2009	-
2010	-
2011	-
2012-2016	-
2017-2021	-
2022-2026	-
Total minimum lease payments	-
Less amounts representing executory costs	-
Net minimum lease payments	-
Less amounts representing interest	-
Present value of net minimum lease payments	$ -

3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement and complete the chart below:

Composition of lease	Date of lease	Minimum lease payment receivable	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	-	$ -	$ -	$ -
b. Equipment	-	-	-	-
c. Land	-	-	-	-

Less amounts representing executory costs	-
Minimum lease payment receivable	-
Less allowance for doubtful accounts	-
Net minimum lease payments receivable	-
Less estimated residual value of leased property	-
Less unearned income	-
Net investment in direct financing lease	$ -

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2006 were $________ for office space, $________ for equipment, and $ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of __________ (the last day of your fiscal year): **(Note: If lease receivables extend past FY2026, please create additional rows and report these future minimum lease payment receivables in five year increments.)**

Year ending ____________:	
2007	$ -
2008	-
2009	-
2010	-
2011	-
2012-2016	-
2017-2021	-
2022-2026	-
Total	$ -

4. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of _________ 20___:

	Cost	Accumulated depreciation	Carrying amount
a. Office space	$ -	$ -	$ -
b. Equipment	-	-	-
c. Land	-	-	-
Total	$ -	$ -	$ -

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of _________ (the last day of your fiscal year): **(Note: If lease receivables extend past FY2021, please create additional columns and report these future minimum lease payment receivables in five year increments.)**

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2007	$ -	$ -	$ -	$ -	$ -
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012-2016	-	-	-	-	-
2017-2021	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -

Current year lease revenues received in fiscal year _____ totaled $______________.

Contingent rentals received from operating leases received for your fiscal year was $___________ for office space, $__________ for equipment, and $____________ for land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2006:

	Year ended December 31, 2006				
	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006	Amounts due within one year
Notes and bonds payable:					
Notes payable	$ 11,255,170	$ --	$ 1,782,233	$ 9,472,937	$ 126,743
Reimbursement contracts payable	--	--	--	--	--
Bonds payable	--	--	--	--	--
Total notes and bonds	11,255,170	--	1,782,233	9,472,937	126,743
Other liabilities:					
Contracts payable	--	--	--	--	--
Compensated absences payable	--	--	--	--	--
Capital lease obligations	--	--	--	--	--
Claims and litigation	--	--	--	--	--
Liabilities payable from restricted assets	--	--	--	--	--
Other long-term liabilities	--	--	--	--	--
Total other liabilities	--	--	--	--	--
Total long-term liabilities	$ 11,255,170	$ --	$ 1,782,233	$ 9,472,937	$ 126,743

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2006:

In March 2003, the Authority created the LPFA Housing Assistance Corporation (the Corporation) for the purpose of assisting persons of low to moderate income with the purchase of homes through a lease-purchase program. Under the program, the Corporation purchases and signs a mortgage and enters into a house-purchase agreement with a qualified person. The funding for the mortgage loan is provided by the LPFA Variable Rate Lease Purchase Revenue Bonds, Series 2003. The lease terms are for 39 months and the tenant assumes the mortgage at the expiration of the lease. The mortgage loan receivable and related payables are recorded on the balance sheet of the component unit financial statement. In effect, the Corporation is merely a conduit in assisting individuals purchase their personal residences and therefore Mortgage Loans Receivable will equal Mortgage Loans Payable

L. CONTINGENT LIABILITIES

Because of the Authority's status as an issuer of bonds, it is routinely named in various litigation related to the funded projects and programs. In the opinion of management and legal counsel for the Authority, these claims are without merit because of the Authority's limited position as only a conduit for the bond issues.

GAAP require that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. **Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in Note CC.** Losses or ending litigation that is probable should be reflected on the balance sheet.

The __________ (BTA) is a defendant in litigation seeking damages as follows: (Only list litigation not being handled by the Office of Risk Management or the Attorney General.)

Date of Action	Description of Litigation and Probable outcome (Remote, reasonably possible, or probable)	*Damages Claimed	Insurance Coverage
		$	$
Totals		$ -	$ -

*Note: Liability for claims and judgments should include should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

Claims and litigation costs of $________ (include incremental cost discussed above) were incurred in the current year and are reflected in the accompanying financial statement.

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it can not be estimated.

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee.

M. RELATED PARTY TRANSACTIONS

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions.______________________________

N. ACCOUNTING CHANGES

Accounting changes made during the year involved a change in accounting ____________ (principle, estimate or entity). The effect of the change is being shown in _____________.

O. IN-KIND CONTRIBUTIONS

List all in-kind contributions that are not included in the accompanying financial statements.

In-Kind Contributions	Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor
	$
Total	$ -

P. DEFEASED ISSUES

The Authority does not have any defeased issues as of December 31, 2006.

Q. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Some cooperative endeavor contracts are not coded with a document type of "COP" on the Contract Financial Management Subsystem (CFMS), but are considered cooperative endeavors. Include these below with your cooperative endeavor contracts coded with a document type of "COP". Examples of contracts that are considered cooperative endeavors, but are not coded with a document type of "COP" include contracts that fall under delegated authority, Facility Planning and Control "CEA" contracts, certain federal government contracts, contracts that legislative auditors may have designated as such within your agency, work incumbent programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

At December 31, 2006, the Authority did not have any liability under cooperative endeavor agreements.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2005-2006:

CFDA Number	Program Name	State Match Percentage	Total Amount of Grant
			$
Total government-mandated nonexchange transactions (grants)			$ -

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At December 31, 2006, the LPFA had no violations of finance related legal or contractual obligations.

T. SHORT-TERM DEBT

The LPFA does not issue short-term notes.
Short-term debt activity for the year ended June 30, 20__, was as follows:

List the type of Short-term debt (e.g., tax anticipation notes)	Beginning Balance	Issued	Redeemed	Ending Balance
	$ -	$ -	$ -	$ -

The ____________________ (BTA) uses a revolving line of credit for the following to finance ____________________ (list purpose for the S-T debt). Short-term debt activity for the year ended June 30, 20__, was as follows:

	Beginning Balance	Draws	Redeemed	Ending Balance
Line of credit	$ -	$ -	$ -	$ -

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2006, were as follows:

Fund	Customer Receivables	Taxes	from other Governments	Other Receivables	Total Receivables
	$	$	$	$	$ -
Local Government Bond Bank	$	$	$	$ 2,298,890	$ 2,298,890
Loans to Nonprofit Organizations				1,937,984	1,937,984
Rural Development Loans				1,016,000	1,016,000
Reimbursable Bond Issuance Costs				178,695	178,695
Program Administrative Fees				277,573	277,573
Other				257,777	257,777
Mortgage Loan Receivable				9,472,937	9,472,937
					-
					-
Gross receivables	$ -	$ -	$ -	$ 15,439,856	$ 15,439,856
Less allowance for uncollectible accounts	-	-	-	17,000	17,000
Receivables, net	$ -	$ -	$ -	$ 15,422,856	$ 15,422,856
Amounts not scheduled for collection during the subsequent year	$	$	$	$ 12,834,433	$ 12,834,433

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2006 were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	$	$	$	$	$ -
	65,315	12,464		47,018	124,797
Total payables	$ 65,315	$ 12,464	$ -	$ 47,018	$ 124,797

W. SUBSEQUENT EVENTS

There were no material event(s) affecting the Louisiana Public Facilities Authority between the close of the fiscal period and issuance of the financial statements

X. SEGMENT INFORMATION

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment facilitate bond placement and student loans.

A. Condensed balance sheet:

(1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.
(2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.
(3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	Segment #1	Segment #2
Current assets	$ 7,824,734	$
Due from other funds		
Capital assets	86,046	
Other assets	23,581,029	
Current liabilities	251,540	
Due to other funds		
Long-term liabilities	9,346,194	
Restricted net assets		
Unrestricted net assets	21,808,029	
Invested in capital assets, net of related debt	86,046	

B. Condensed statement of revenues, expenses, and changes in net assets:

(1) Operating revenues (by major source).
(2) Operating expenses. Depreciation (including any amortization) should be identified separately.
(3) Operating income (loss).
(4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
(5) Capital contributions and additions to permanent and term endowments.
(6) Special and extraordinary items.
(7) Transfers
(8) Change in net assets.
(9) Beginning net assets.
(10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	Segment #1	Segment #2
Operating revenues	$ 2,773,831	$
Operating expenses	3,014,405	
Depreciation and amortization	47,978	
Operating income (loss)	(288,552)	-
Nonoperating revenues (expenses)	702,293	
Capital contributions/additions to permanent and term endowments		
Special and extraordinary items		
Transfers in		
Transfers out		
Change in net assets	413,741	-
Beginning net assets	21,480,334	
Ending net assets	21,894,075	-

C. Condensed statement of cash flows:

(1)Net cash provided (used) by:
- (a) Operating activities
- (b) Noncapital financing activities
- (c) Capital and related financing activities
- (d) Investing activities

(2)Beginning cash and cash equivalent balances
(3)Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	Segment #1	Segment #2
Net cash provided (used) by operating activities	$ (398,194)	$
Net cash provided (used) by noncapital financing activities	0	
Net cash provided (used) by capital and related financing activities	(46,389)	
Net cash provided (used) by investing activities	38,091	
Beginning cash and cash equivalent balances	4,359,840	
Ending cash and cash equivalent balances	3,953,348	-

Y. DUE TO/DUE FROM AND TRANSFERS

1. List by fund type the amounts **due from other funds** detailed by individual fund at fiscal year end:
(Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

Type of Fund	Name of Fund	Amount
		$
Total due from other funds		$

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

Type of Fund	Name of Fund	Amount
		$
Total due to other funds		$

3. List by fund type **all transfers from other funds for the fiscal year:**

Type of Fund	Name of Fund	Amount
		$
Total transfers from other funds		$

4. List by fund type **all transfers to other funds for the fiscal year:**

Type of Fund	Name of Fund	Amount
		$
Total transfers to other funds		$

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

The Authority has no liabilities payable from restricted assets at December 31, 2006.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 20__.
Each adjustment must be explained in detail on a separate sheet.

Ending net assets July 1, 2005, previously reported	Adjustments + or (-)	Beginning net assets, July 1, 2005, as restated
	$	$ --
		--
		--
		--
		--
		--

(NOTE: Net Assets at July 1, 20__, previously reported, must correspond to Net Assets at June 30, 20__, per the information received from OSRAP.)

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)

Of the total net assets reported on Statement A at December 31, 2006, $0 are restricted by enabling legislation (which includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation). Refer to Appendix C for more details on the determination of the amount to be reported as required by GASB Statement 46.

CC. IMPAIRMENT OF CAPITAL ASSETS

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. **See Appendix D for more information on GASB 42 and the Impairment of Capital Assets.**

The following capital assets are considered impaired: (There are five indicators of impairment described in Appendix D, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

Type of asset	Amount of Impairment Loss	Indication of Impairment	Insurance Recovery in the same FY	Reason for Impairment (e.g. hurricane)
Buildings	-	-	-	-
Movable Property	-	-	-	-
Infrastructure	-	-	-	-

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year. (Include the capital assets listed above that were idle at the end of the fiscal year.)

Type of asset	Carrying Value
Buildings	$ ________
Movable Property	$ ________
Infrastructure	$ ________

DD. EMPLOYEE TERMINATION BENEFITS

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as payment for unused leave balances. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan and payment for unused leave balances.

Other termination benefits may include:
1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Health care coverage when none would otherwise be provided (COBRA)
3. Compensated absences, including payments for leave balances
4. Payments due to early release from employment contracts

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits.

1. A description of the termination benefit arrangement(s)
2. Period the employer becomes obligated
3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported)

The GASB 47 note disclosures listed below are provided as an example and should be modified as necessary.

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For 2006, the cost of providing those benefits for _____ (number of) voluntary terminations totaled $________. For 2006, the cost of providing those benefits for _____ (number of) involuntary terminations totaled $________.

[The termination benefits (voluntary and involuntary) paid in FY 2006 should also be included in the Statement of Revenues, Expenses, and Changes in Fund Net Assets on the account line "Administrative" in the Operating Expense Section.]

The liability for the accrued voluntary terminations benefits payable at June 30, _____ is $________. This liability consists of ________ (number of) voluntary terminations. The liability for the accrued involuntary terminations benefits payable at June 30, ______ is $________. This liability consists of ________ (number of) involuntary terminations.
[The termination benefits (voluntary and involuntary) payable at fiscal year end should also be included on the Balance Sheet in the "compensated absences payable" account line.]

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact. Briefly describe termination benefits provided to employees as discussed above. If none, please state that fact.

The LPFA does not provide post retirement or termination benefits to employees.

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended December 31, 2006

Name		Amount
Thomas A Antoon	$	6,200
John D Bernhardt		2,000
Jerome Boykin		2,000
Carl D Clark		3,800
Camille A Cutrone		2,200
Christopher Arsement		1,800
	$	18,000

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE 1

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
SCHEDULE OF STATE FUNDING
For the Year Ended December 31, 2006

	Description of Funding	Amount
1.		$ NONE
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
	Total	$ NONE

SCHEDULE 2

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
December 31, 2006

Issue	Date of Issue	Original Issue	Principal Outstandin g 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		$	$	$	$		$
Total		$	$	$	$		$

***Send copies of new amortization schedules**

SCHEDULE 3-A

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
SCHEDULE OF NOTES PAYABLE
December 31, 2006

Issue	Date of Issue	Original Issue	Principal Outstandin g 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
______	______	$______	$______	$______	$______	______	$______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
Total		$______	$______	$______	$______		$______

***Send copies of new amortization schedules**

SCHEDULE 3-B

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
SCHEDULE OF BONDS PAYABLE
December 31, 2006

Issue	Date of Issue	Original Issue	Principal Outstandin g 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		$	$	$	$		$
Total		$	$	$	$		$

*Send copies of new amortization schedules

SCHEDULE 3-C

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
SCHEDULE OF REIMBURSEMENT
CONTRACTS PAYABLE AMORTIZATION
For the year ended December 31, 2006

Fiscal Year Ending:	Principal	Interest
2007	$	$
2008		
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
Total	$ -	$ -

SCHEDULE 4-A

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For the year ended December 31, 2006

Fiscal Year Ending:	Payment	Interest	Principal	Balance
2007	$	$	$	$ -
2008				-
2009				-
2010				-
2011				-
2012-2016				-
2017-2021				-
2022-2026				-
2027-2031				-
Total	$ -	$ -	$ -	$ -

SCHEDULE 4-B

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY

SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended December 31, 2006

Fiscal Year Ending:	Principal	Interest
2007	$	$
2008		
2009		
2010		
2011		
2012-2016		
2017-2021		
2022-2026		
2027-2031		
Total	$ --	$ --

SCHEDULE 4-C

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY

SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended December 31, 2006

Fiscal Year Ending:	Principal	Interest
2007	$	$
2008		
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
Total	$ --	$ -

SCHEDULE 4-D

STATE OF LOUISIANA

LOUISIANA PUBLIC FACILITIES AUTHORITY

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than $1 million, explain the reason for the change.

		2006	2005	Difference	Percentage Change
1)	Revenues	$ 2,773,831	$ 2,892,770	$ (118,939)	$ (4.11%)
	Expenses	3,062,383	3,028,419	33,964	1.12%
2)	Capital assets	525,099	478,710	46,389	9.69%
	Long-term debt	9,472,937	11,255,170	(1,782,233)	(15.83%)
	Net Assets	21,894,075	21,480,334	413,741	19.26%

Explanation for change: Decrease in Long-term debt is due to repayment of mortgage loans under the Lou-lease program.

SCHEDULE 15